

## Message Text

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PAGE 01 PEKING 01955 030215Z

ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIA-06 CU-04 /075 W

-----076494 032003Z /75

R 020817Z SEP 77

FM USLO PEKING

TO SECSTATE WASHDC 8611

INFO AMCONSUL HONG KONG

AMEMBASSY MOSCOW

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

CINCPAC

USMISSION NATO

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CINCPAC FOR POLAD

E.O. 11652: N/A

TAGS: PROP US CH UR

SUBJ: CHINESE REPORT PRESIDENT'S "SECRET DIRECTIVE" ON INCREASED  
DEFENSE SPENDING

1. PRC MEDIA HAVE DEVOTED UNUSUAL ATTENTION TO AUGUST 26  
REPORT THAT PRESIDENT CARTER HAS ISSUED A "SECRET DIREC-  
TIVE ON NATIONAL STRATEGY" CALLING FOR A THREE PERCENT  
ANNUAL INCREASE IN DEFENSE SPENDING WHILE URGING THAT  
OTHER NATO COUNTRIES TAKE SIMILAR ACTION. THE STORY,  
CARRIED BY NCNA AUGUST 29 AND THEN BROADCAST BY PRC  
RADIO SEPTEMBER 2, TREATS THE PRESIDENTIAL MOVE AS A  
RESPONSE TO EARLIER ALLEGATIONS (PRESUMABLY BY EVANS  
AND NOVAK) THAT U.S. WAS CONSIDERING NEW NATO STRATEGY  
WHICH WOULD CONCEDE ONE-THIRD OF WEST GERMANY TO A  
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PAGE 02 PEKING 01955 030215Z

SOVIET INVASION. THE CHINESE NOTE THE "DIRECTIVE"  
CALLS FOR GREATER FLEXIBILITY TO RESPOND TO CRISES  
IN SUCH AREAS AS THE MIDDLE EAST AND THE PERSIAN  
GULF. IT CITES PRESIDENT'S REAFFIRMATION OF AMERICAN  
EFFORTS TO INCREASE U.S.-SOVIET COOPERATION AND  
TRADE, BUT CONCLUDES BY QUOTING PRESIDENT'S LETTER TO  
PRESIDENT KARL MOMMER OF THE ATLANTIC TREATY ASSOCIATION

AS SAYING THAT "WE ARE FACED WITH A RENEWED MILITARY CHALLENGE FROM THE WARSAW PACT" AND THAT THE U.S. REMAINS COMMITTED TO A FORWARD DEFENSE STRATEGY IN EUROPE.

2. COMMENT: PRC REPLAY OF THIS STORY PRESUMABLY SERVES TO PPOINT UP CHINESE VIEW THAT U.S. AND SOVIETS ARE ENGAGED IN EVER INCREASING CONTENTION, WHILE AT THE SAME TIME SHOWING THAT MOSCOW IS NOT HAVING AN EASY TIME OF IT AND THAT THE US ADMINISTRATION IS GRADUALLY "WAKING UP" TO THE SOVIET DANGER.  
WOODCOCK

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESIDENT, LAW, MILITARY PLANS  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977PEKING01955  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EA  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Status:** NATIVE  
**Subject:** CHINESE REPORT PRESIDENT'S \"SECRET DIRECTIVE\" ON INCREASED DEFENSE SPENDING  
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**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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